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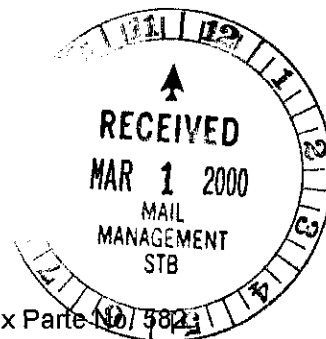
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BASIN PERLITE COMPANY
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February 21, 1999



Surface Transportation Board
Office of the Secretary, Case Control Unit
1925 K Street, N.W., Washington, DC 20423-0001

Attention: STB Ex Parte No. 5823

Dear Sir or Madam:

Re: BNSF/CN Merger

The transportation of our company's product, perlite is generally 50% or more of the delivered price to our customers. Our car shipments in 1999 were 145 cars on the Union Pacific Railroad from Milford, Utah. We anticipate that this will grow to at least 250 carloads this year.

We strongly support the STB's intent to examine the BNSF/CN proposed control application, including all the potential effects on rail transportation, particularly on small users such as Basin Perlite Company. Basin does not have the necessary traffic volume to negotiate a large user contract. The merger of BN/SF with the Canadian Pacific can only be seen as anti-competitive, particularly in north/south routes and rail service into Canada, a market we are trying to penetrate.

Basin has experienced the service disruptions caused by recent mergers including the merger of Burlington Northern and Santa Fe. We are attempting to secure a new account in Missouri and the poor service following the BN/SF merger left our potential customers with a very poor view of rail transportation in general. Specifically, the service was extremely poor in the St. Louis area served by the BN/SF after their merger. The STB now has the opportunity of hindsight to see that mergers of major rail carriers take time and do not always work out in the best interest of the shippers. The proposed merger of BN/SF and CN involves crossing an international border and the complications of international traffic and regulations. Allowing the merger to proceed will allow the BN/SF a virtual monopoly on traffic into Canada, a result not in the best interest of shippers.

We strongly recommend that STB reject the proposed merger of BN/SF and the CP. Several years are still needed to deal with the two most recent rail mergers in the United States. Creating a monopolistic rail system seriously stifles competitive pricing and service in both the United States and Canada. Thank you for considering our suggestions.

Sincerely,

William R. Wilson
President
Basin Perlite Company

CC: Jack Koraleski - Union Pacific Railroad
George R. Hix - Union Pacific Railroad